



INSIGHTS

108th Congress

April 14, 2003

*Also available on the FEMP Home Page at
www.eere.energy.gov/femp/resources/insights.html.*

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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of **INSIGHTS** is to provide FEMP management staff with timely information on legislative activities relevant to the program. **INSIGHTS** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

IV. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

See detailed provisions for all bills at: thomas.loc.gov

HOUSE

Number	Short title	Date	Sponsor	Status
H.R. 1605	<i>Automobile Fuel Economy Act of 2003</i>	April 3	Wayne Gilchrest (R/MD)	Referred to the Committees on Energy and Commerce and Government Reform
	Amends <i>title 49, United States Code</i> , requires phased increases in fuel efficiency standards applicable to light trucks; requires fuel economy standards for automobiles up to 10,000 pounds gross vehicle weight; and increases fuel economy of Federal fleet of vehicles such that by 9/30/2007, the average fuel economy of new vehicles in agency's fleet of vehicles is at least 3 mpg higher than baseline average fuel economy; and by 9/30/2010, the average fuel economy of new vehicles in agency's fleet of vehicles in each class of vehicles at least 6 mpg higher than aseline average fuel economy.			
H.R. 1627	<i>Public Utility Holding Company Act of 2003</i>	April 3	Charleston Pickering (R/MS)	Referred to the Committee on Energy and Commerce
	Repeals the <i>Public Utility Holding Company Act of 1935</i> .			
	industrial.			
	Repeals Section 318 of the <i>Federal Power Act</i> .			
H.R. 1638	<i>BRAC Repeal Act of 2003</i>	April 3	Gary Taylor (D/MS)	Referred to the Committee on Armed Services
	Amends the <i>Defense Base Closure and Realignment Act of 1990</i> , to repeal the authorized 2005 round of closures and realignments of military installations.			

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

House

No new activities of interest have been scheduled, due to the two-week Congressional recess.

Senate

No new activities of interest have been scheduled, due to the two-week Congressional recess.

CONFERENCE COMMITTEES/VOTES

FY 2003 Emergency Supplemental Appropriations This past weekend, the conference committee completed negotiations on the \$78.5 billion wartime bill, *H.R. 1559 – FY 2003 Emergency Supplemental Appropriations*. The House and Senate agreed to *Conference Report, H.R. 108-76* on April 12. The bill includes the following provisions of interest:

- **Department of Agriculture** - \$110 million in additional funding for buildings and facilities
- **Department of State** - \$149.5 million embassy security, construction, maintenance, and related projects
- **Military Construction** (to remain available through September 30, 2007)
 - **Navy** - \$48.1 million in additional funding
 - **Air Force** - \$152.9 million in additional funding
 - **Family Housing Operation and Maintenance, Air Force** - \$1.8 million in additional funding

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II. COMMITTEE ACTIVITY

HOUSE

Legislation

Comprehensive Energy Legislation Last week, the House approved *H.R. 6 – Energy Policy Act of 2003*, an omnibus bill combining the efforts of four committees producing four separate energy bills; the bills were then combined into one broader bill on the House floor. The final bill includes provisions on energy efficiency including:

- **Title I – Energy Conservation and includes:** Subtitle A – Federal Leadership in Energy Conservation, Subtitle C – Energy Efficient Products

- Title V Vehicles and Fuels
- Title VI – DOE Programs and includes: Subtitle A – Energy Efficiency, Subtitle B – Distributed Energy and Electric Energy Systems, Subtitle C – Renewable Energy
- Title VII – Electricity and includes: Subtitle A – Transmission Capacity; Subtitle B – Transmission Operation; Subtitle C – Reliability; Subtitle F – Renewable Energy; Subtitle G – Market Transparency, Round Trip Trading Prohibition, and Enforcement; Subtitle H – Consumer Protections
- Title IX – Motor Fuels
- Title X – Automobile Efficiency

The bill also includes a bipartisan amendment introduced by Tom Davis (R/VA) and Henry Waxman (D/CA) requiring a study on the energy conservation benefits merits of a Federal employee telecommunicating program. The amendment also includes a provision to examine the potential benefits of creating performance measures to achieve a reduction in the use of petroleum in Federal fleets.

Excluded from the bill are provisions dealing with a renewable energy portfolio standard; an amendment to increase by 30 percent by 2010, Corporate Average Fuel Economy Standards for automobiles and light duty trucks. Passage in the House prompted Committee on Energy and Commerce chair, Billy Tauzin (R/LA), to describe the bill as “the most important energy bill in the last 50 years.” For a refresher on provisions of interest in *H.R. 6*, refer to the FEMP legislative databases at www.eere.energy.gov/femp/resources/initiatives.html

SENATE

Legislation

MTBE Last week, *S. 791 - Reliable Fuels Act* (See provisions at the FEMP legislative databases at www.eere.energy.gov/femp/resources/initiatives.html), cleared the Committee on Environment and Public Works. Bill amendments approved during the committee markup:

- Provides \$25 million per year from 2004 to 2008 for renewable fuels research and development in states with low rates of ethanol production
- Directs DOE to arrange privately funded bans for facilities converting municipal solid waste into fuel ethanol

The bill will added to the comprehensive energy legislation package working its way through the Senate. Separate bills are being or have been drafted by four committees. Controversial issues yet to be resolved include provisions dealing with electric utility restructuring and a climate change package. The utility section of the bill is currently being revised to address the Federal (e.g., Federal Energy Regulatory Commission) vs. regional roles and responsibilities for regulating the industry. The committee plans to complete the mark up after the two-week Congressional recess and by early May.

Renewable Fuel on Indian Lands The Committee on Indian Affairs approved a substitute amendment that incorporates provisions of *S. 522 - Native American Energy Development and Self-Determination Act of 2003* and *S. 424 – Tribal Energy Self Sufficiency Act*. (See provisions at the FEMP legislative

databases at www.eere.energy.gov/femp/resources/initiatives.html). The amendment will become Title III of the broader comprehensive energy bill currently being market up by the Committee on Energy and Natural Resources. The bill will require DOI to establish a program to assist Indian tribes in developing their energy resources; streamline the leasing process for energy development and transmission construction on tribal lands; [sets aside \\$20 million annually through 2011 for grants to be used for renewable and nonrenewable energy, energy efficiency or conservation programs planning, development or construction](#); and establishes an Office of Indian Energy Policy and Programs at DOE (authorized funding level of \$140 million through 2011 for the office).

Hearings

Global Energy Security Issues On April 8, members of the Committee on Foreign Relations heard testimony on global energy security and supply and demand from experts including Kyle McSillarow, DOE Deputy Secretary of Energy; Alan Larson, Undersecretary of State for Economic, Business and Agricultural Affairs; and other industry representatives. Mr. McSillarow spoke about the President's Hydrogen Fuel Initiative and FreedomCAR initiative as "already generat[ing] tremendous enthusiasm among the energy and auto industries... If we are successful in this endeavor, we estimate that industry could make a commercialization decision on fuel cell vehicles, hydrogen production, and refueling infrastructure by 2015... [the introduction of hydrogen fueled vehicles] by 2040, could reduce oil use in light duty vehicles by over 11 million barrels per day – an amount of oil that approximates that which America imports today."

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SENATE

Number	Short title	Date	Sponsor	Status
S. 791	Reliable Fuels Act	April 3	James Inhofe (R/OK)	Referred to the Committee on Environment and Public Works
	<p>Establishes renewable fuel percentages for gasoline for 2005-2013.</p> <p>EIA shall conduct study of renewable fuel blending to determine whether there are excessive seasonal variations in the use of renewable fuel.</p> <p>DOE shall conduct study assessing whether renewable fuel requirement will likely result in significant adverse impacts on consumers in 2005, on national, regional, or state basis.</p> <p>By 12/1/2006, and annually thereafter, EPA shall conduct survey to determine market shares of conventional gasoline containing ethanol; reformulated gasoline containing ethanol; conventional gasoline containing renewable fuel; and reformulated gasoline containing renewable fuel; and submit to Congress results of survey.</p> <p>Authorizes \$4 million for each of FY 2004-2006 for resource center to further develop bioconversion technology using low-cost biomass for production of ethanol at center for Biomass-Based Energy at University of Mississippi and University of Oklahoma.</p> <p>EPA shall conduct monthly survey of renewable fuels consumption in U.S. motor vehicle fuels market.</p> <p>EPA shall conduct study on effects on public health, air quality, and water resources of increased use of, and feasibility of using as substitutes for MTBE in gasoline.</p> <p>EPA shall develop and finalize an emissions model that reasonably reflects effects of gasoline characteristics or components on emissions from vehicles in motor vehicle fleet during 2006.</p> <p>EPA and DOE shall jointly conduct a study of Federal, state, and local requirements concerning motor vehicle fuels.</p>			
S. 793	No Short Title	April 7	Robert Byrd (D/WV)	Referred to the Committee on Environment and Public Works
	<p>Provides for increased energy savings and environmental benefits through increased use of or concrete.</p>			

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V. ADMINISTRATION INITIATIVES

Comments on House Energy Legislation The Office of Management and Budget released a statement on April 10 regarding the Administration's views on *H.R. 6 – Energy Policy Act of 2003*. The statement included the following remarks:

The Administration supports passage of H.R. 6 and commends the House for its action in developing comprehensive and balanced national energy legislation that is largely consistent with the Administration's National Energy Policy. The bill would significantly benefit consumers by increasing energy supplies while protecting the environment, and by fostering greater competition in the marketplace. It also would improve the Nation's energy security by increasing the use and diversity of energy efficiency. In addition, this legislation helps the United States achieve our goals of expanding the use of new technology to reduce pollution and increase energy efficiency. The Administration looks forward to working with the Congress to enact comprehensive energy legislation this year that is consistent with the President's policy.

Remarks regarding specific sections of the bill of interest to readers include the following:

The Administration particularly commends the House for including a [robust electricity title](#) that will modernize the Nation's outdated electricity laws and allow consumers to benefit from lower-cost and more reliable electricity supply. [In particular, the Administration strongly supports efforts to: \(1\) ensure open access to the interstate transmission grid for all generators; \(2\) expand utility investment by repealing the Public utility Holding Company Act; \(3\) reform the Public Utility Regulatory Policies Act; \(4\) establish mandatory, enforceable reliability rules to reduce the risk of power outages; and \(5\) establish last-resort Federal siting authority for high-priority transmission lines.](#) We want to work with the Congress to [ensure that the bill includes consensus language to allow the Tennessee Valley Authority to fully integrate into electricity markets.](#)

[The Administration strongly supports balancing energy conservation and efficiency with increasing domestic production of traditional and non-traditional energy resources...](#) We urge the House to include the President's proposals to direct the Federal share of ANWR lease sales and royalties to fund increased energy research and development and land conservation efforts.

The Administration similarly is pleased that the House bill authorizes funding for [the President's Hydrogen Fuel Initiative](#) and looks forward to working with the Congress to refine these provisions further, including clarifying the appropriate roles and authorities for various Federal and State agencies in the initiative. The Administration also supports increasing the use of clean, domestically-produced renewable fuels such as ethanol and looks forward to working with the Congress to ensure that a renewable fuels standard is included in final energy legislation.

The Administration also commends the house for the inclusion of [important incentives to spur production of alternative and renewable sources of energy such as wind, solar, biomass, hydropower, and geothermal resources.](#) These incentives, coupled with the bill's authorities for energy research and development, will accelerate technologic advances and diversify the nation's energy supply.

The Administration recognizes that section 1106 is intended to facilitate [financing for improvements in the energy efficiency of Federal buildings.](#) The Administration is concerned, however, that this provision is inconsistent with Federal fiscal and procurement policies and would absorb significant discretionary funds. We hope to work with Congress to make this provision consistent with sound fiscal and procurement practices.

The Administration is also concerned about the significant [direct and potential cost of H.R. 6 due largely to its tax provisions that considerably exceed the President's proposals](#), as well as the cumulative appropriation authorization levels, which in several cases significantly exceed the President's Budget and set unrealistic targets for future programmatic funding decisions.

Concerning energy tax incentives, the Administration supports the provisions that reflect the [President's energy tax proposals](#) dedicated entirely to alternative and renewable fuels, conservation, and energy efficiency, and urges the Congress to add the President's tax credit for fuel cell and hybrid vehicles. The Administration remains concerned about the size of the bill's total tax incentives, which exceed \$18 billion over ten years – more than double the cost of the President's \$8 billion in tax incentives over the same time period.

Presidential Remarks *On April 11, the President issued the following statement regarding the House*

I commend the House for passing comprehensive and balanced energy legislation. [The House legislation will increase America's energy independence by diversifying our sources of renewable energy, expanding new technology](#), and increasing environmentally responsible exploration. This bill is a major step forward in the effort to secure our Nation's energy future, in keeping with my National Energy Policy. I look forward to prompt Senate action and to working to ensure that fiscally responsible legislation to reduce our reliance on foreign sources of energy can be brought to my desk.

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V. HEARINGS SCHEDULE

HOUSE – COMMITTEE ON APPROPRIATIONS

No new activities of interest have been scheduled, due to the two-week Congressional recess.

HOUSE – AUTHORIZATIONS/OVERSIGHT

No new activities of interest have been scheduled, due to the two-week Congressional recess.

SENATE – COMMITTEE ON APPROPRIATIONS

No new activities of interest have been scheduled, due to the two-week Congressional recess.

SENATE – AUTHORIZATIONS/OVERSIGHT

No new activities of interest have been scheduled, due to the two-week Congressional recess.

CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

No new activities of interest have been scheduled, due to the two-week Congressional recess.

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